SCOTTISH BRAND FOOTPRINT 2017

THE SCOTTISH RANKING OF THE MOST CHOSEN FOOD AND DRINK BRANDS

KANTAR WORLDPANEL

FOOD FOR THOUGHT

Food for Thought

The first Brand Footprint ranking of Scotland's most chosen brands reveals the brands purchased most often in Scotland are in many cases aligned with the rest of the UK, highlighting the power and impact national brands have on a local market.

The shock Brexit vote in 2016 and the threat of an Indy Ref 2 has meant uncertainty for the food and drink supply chain in Scotland. Furthermore, rising ingredient costs , price inflation and currency fluctuations are all contributing towards a more challenging competitive environment both at home and internationally. For shoppers this too has meant that their food and drink bills have started to rise.

The last year has also seen the retail landscape continuing to evolve and offer shoppers more choice. Aldi and Lidl continue to make their mark on the Scottish retail market, opening more stores and attracting more customers. M&S has also out-performed in Scotland where its premium, convenient offering is tempting shoppers into their stores more often.

Brands have always dominated in Scotland until this year when sales of own label products exceeded branded sales for the first time. The presence of retailer brands in our basket has become more common, with all of the retailers using their own label ranges to create that point of difference and give shoppers choice and a reason to shop in their stores.

With own label playing a greater role in shopper's repertoires, the market has been challenging for brands with only 12 of the top 20 brands in Scotland seeing growth.

Scottish brands account for just under 5% of grocery spend in Scotland and there are few differences to the rest of the UK in terms of the big brands that dominate our baskets – in fact the top 10 brands are the same, just in a different order.

Bread as a sector is in decline due to consumers' changing ideas around health and bakers have had to innovate to remain relevant in a competitive sector. That said, Warburton's is the biggest FMCG and food brand in Scotland with Hovis and Kingsmill also featuring in the Top 10. It is chosen almost as often as the next two brands combined. The second biggest brand, Heinz, has the highest penetration of any brand in Scotland.

Just outside the top ten we see the first of the Scottish brands Irn Bru featured at position 13 followed by Graham's the Family Dairy sitting at number 19. Each operates in a different category, but a similar focus on innovation and a brand diversification strategy has helped them extend their presence and impact in the market.

Of the best known Scottish brands, 30 feature in the top 500. With 18 of those improving on their position from last year. The Top 30 Scottish brands account for 68% of the spend on local brands in Scotland.

Top 20 Brands

	SCOTLAND	%	UK
1	WARBURTON'S	+1	WARBURTON'S
2	HEINZ	-3	HEINZ
3	MCVITIES	+6	HOVIS
4	HOVIS	+6	MCVITIES
5	KINGSMILL	-12	KINGSMILL
6	COKE	+2	WALKERS
7	MULLER	-2	COKE
8	WALKERS	-5	MULLER
9	CADBURY DAIRY MILK	+5	BIRDS EYE
10	BIRDS EYE	+1	CADBURY DAIRY MILK
11	CADBURY'S	+7	CADBURY'S
12	MCCAIN	+5	MCCAIN
13	IRN BRU	+14	JACOBS
14	PEPSI	+4	PEPSI
15	LURPAK	-1	MR KIPLING
16	JACOB'S	+3	NESCAFE
17	BATCHELOR'S	+5	COLGATE
18	NESCAFE	-1	BATCHELOR'S
19	GRAHAM'S	-6	FAIRY
20	KIT KAT	0	KIT KAT

Top 30 Scottish Brands in Scottish Grocery

TOP 30	POSITION IN THE TOP 500 BRANDS IN SCOTLAND	
1	13	IRN BRU
2	19	GRAHAM'S THE FAMILY DAIRY
3	27	BAXTERS
4	31	WISEMAN'S
5	39	BELLS PIES
6	41	TUNNOCK'S
7	45	MCLELLAND
8	56	MCINTOSH
9	64	MALCOLM ALLAN
10	74	BARR SOFT DRINKS
11	91	SCOTTY BRAND
12	99	ROWAN GLEN
13	104	MACKIE'S
14	106	HALL'S
15	131	TENNENT'S
16	137	SIMON HOWIE
17	156	ALBERT BARTLETT
18	163	BORDERS BISCUITS
19	179	NAIRN'S
20	184	MAC B
21	197	HIGHLAND SPRING
22	225	PATTERSON'S
23	236	GLEN'S
24	321	FAMOUS GROUSE
25	334	SCOTTISH BLEND
26	375	SCOTT'S
27	400	GENIUS
28	460	MCEWAN'S
29	481	WHYTE & MACKAY
30	482	CRAWFORD'S

You are what you eat

As consumers' attitudes to health have changed, the industry has responded by including healthy ingredients such as fibre, protein and vitamins in products. Graham's The Family Dairy has responded to this market opportunity with the launch of the Protein 22 range of yoghurts which contain 22 grams of protein.

Sales of fresh produce passed the £1billion mark for the first time in 2017 – and we're buying both fruit and vegetables more often in Scotland than we were 2 years ago.

New legislation around the amount of sugar in soft drinks has also driven innovation with A G Barr successfully launching Irn Bru Xtra, a sugar free variant of their legendary soft drink, which has attracted new shoppers into the brand.

Looking forward, with the "soft drinks industry levy" coming into force next year, and both the UK and Scottish Governments pursuing obesity reduction plans, there will be plenty of challenges and opportunities for food and drink manufacturers and retailers in Scotland.

Scotland – A Land of Food and Drink

The food and drink industry is an important part of the Scottish economy and the industry recently set itself a new target to grow its size to £30bn by 2027. Increasing brand presence and sales in key markets will be critical to the industry's future success and looking south of the border is a natural next step for ambitious Scottish manufacturers.

However, sales of Scottish brands in the UK account for only 1.6% of total grocery spend, and selling a Scottish brand proposition in England and Wales isn't necessarily the route to go. Some of those Scottish brands currently performing well are using provenance as a brand attribute, i.e. Highland Spring and Baxters. Other brands, like Genius and Nairn's have identified a growing opportunity in the free-from market, however, other examples prove that provenance is still an important attribute particularly when they are marketed as Scottish – such as Scotch Beef, Haggis, Shortbread and Whisky.

Scotland is world renowned for its whisky industry but is also growing its reputation in craft beer. In the UK we've seen Brewdog win more national

listings, delivering impressive growth, entering the Top 100 Alcohol Brands for the first time. Scottish Gin has also been creating a stamp on the UK market (as well as overseas) with sector sales growing by 65% in the last year, with notable brand successes from Edinburgh Gin, Caorunn, Blackwoods, The Botanist and Hendricks.

What lies ahead

There is no doubt that more change lies ahead.

Economic uncertainty will affect how and where we shop, demographic changes such as an ageing population and household sizes along with retail developments such as the Amazon takeover of Whole Foods will all create new opportunities. Changing consumer tastes, health, a desire for easy to cook and convenient meals will also drive innovation in the sector - and brands need to be ready to seize these opportunities.

About Brand Footprint

Kantar Worldpanel believes that in order to grow, brands need to be chosen by more people more often.

Now in its fifth year, Brand Footprint is a global study of which brands shoppers choose to buy and why. The metric used to measure this is called Consumer Reach Points (CRP) and is calculated by looking at penetration and frequency in combination with the number of households in the country.

Disrupters

ECONOMIC UNCERTAINLY

AGEING POPULATION

HOUSEHOLD SIZES

ONLINE

HEALTH

CONVENIENCE

Find the full global report at www.kantarworldpanel.com/brand-footprint-ranking

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